



WILLIAM T FUJIOKA
Chief Executive Officer

County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, California 90012
(213) 974-1101
<http://ceo.lacounty.gov>

"To Enrich Lives Through Effective And Caring Service"

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June 24, 2014

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**APPROVAL OF TWO-YEAR OPTION TO CONTINUE
PERFORMING ARTS CENTER OF LOS ANGELES COUNTY
GRAND PARK MAINTENANCE, OPERATING,
AND PROGRAMMING AGREEMENT
AGREEMENT NO. AO-12-088
AND ACTIONS RELATED TO THE
INTERIM GRAND PARK ADVISORY BOARD, AND
THE NEW LOS ANGELES COUNTY GRAND PARK FOUNDATION
ALL DISTRICTS
(3 VOTES)**

SUBJECT

Approval of the recommended actions will authorize the Chief Executive Office to exercise a two-year option to extend the term of the Grand Park Maintenance, Operating, and Programming Agreement with the Performing Arts Center of Los Angeles County, a non-profit organization; accept the offer from the newly formed Los Angeles County Grand Park Foundation, a non-profit organization to provide advisory and fundraising services; and to replace the interim Grand Park Advisory Board.

IT IS RECOMMENDED THAT THE BOARD:

1. Find that the Board, as responsible agency under the California Environmental Quality Act, previously considered the Grand Avenue Project Environmental Impact Report prepared by the Grand Avenue Authority as lead agency for the Grand Avenue Project, which included the Civic Center Park, now known as Grand Park, and that the Board also has approved Addenda to the certified Environmental Impact Report and that the recommended actions are within the scope of the

Project in the previously approved environmental documentation.

2. Determine that the recommended actions meet the social needs of the County and will serve public purposes and exercise the option to extend the term of the Grand Park Maintenance, Operating, and Programming Agreement for two years following expiration of the initial three-year term on June 25, 2015, with the Performing Arts Center of Los Angeles County, a non-profit corporation; to continue the maintenance, operations, and programming of Grand Park, comprised of four contiguous County-owned parcels between Grand Avenue and Spring Street, in downtown Los Angeles; and direct the Chief Executive Office to provide notice of this action to the Performing Arts Center of Los Angeles County.
3. Accept the offer of the Los Angeles County Grand Park Foundation, a newly formed independent non-profit corporation to provide guidance and support in programming, marketing, fundraising, partnerships, and community building for Grand Park; and thank the members of the interim Board-appointed Grand Park Advisory Board for their service since the successful opening of Grand Park, and disband the interim Grand Park Advisory Board, effective June 24, 2014.
4. Authorize the Chief Executive Officer to perform any other actions consistent with and/or necessary for the implementation of the foregoing approvals.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of the recommended actions is to allow the Performing Arts Center of Los Angeles County (Music Center) to continue providing maintenance, operations, and programming services at Grand Park (Park) until June 25, 2017, and to permit the newly formed Los Angeles County Grand Park Foundation (Foundation) to solicit public comments and input on park programs and activities, provide guidance and support, and serve in an advisory capacity to the County of Los Angeles (County) Chief Executive Officer (CEO) on the programming in the Park.

Background

In May 2012, the Board authorized the CEO to execute the Grand Park Maintenance, Operating, and Programming Agreement (Agreement) with the Music Center, a non-profit corporation, as the initial Park operator. The Agreement generally provides for the Music Center to perform the County's obligations to provide the following services: maintenance, housekeeping, security, public programming, supervision of all permitted uses, and the operations of the Park. These services are at the County's expense and subject to the approval of an annual County budget appropriation submitted during the County budget process.

The County and the Music Center are committed to an open, inclusive, welcoming, safe, and enjoyable Park for the benefit of all. Since June 2012, numerous free musical, theatrical, cultural, and educational programs showcasing diversity and exemplifying the Park's motto of "the park for everyone" have been held in the Park. The range of activities continue to be broad, and Park staff reaches out to all ages and all parts of Los Angeles County. Programming has included a weekly farmer's market, yoga and boot camp classes, movie screenings, social events, dance series, book festivals, lunchtime and Sunday concerts, art installations, and notable events like CicLAvia, Park Your Politics, National Dance Day, Día de los Muertos, Fourth of July block party, and New Years Eve.

The Park continues to serve as an active, welcoming setting for daily activities and has created a

civic gathering place for community celebrations, cultural and ethnic celebrations, festivals, holiday events, political gatherings, and the like.

Term of the Agreement

The Agreement was executed on June 26, 2012, and the initial term of the Agreement was for a period of three years, with one two-year option. The initial term expires one year from now, on June 25, 2015. The option may be exercised by the County, provided at least one fiscal year notice is given to the Music Center. The Music Center has been advised of the recommendation to exercise this option, consistent with the terms of the Agreement, and supports the recommendation and its extended operation of the Park.

By exercising the option, the term will be extended to June 25, 2017, and the Music Center will continue to provide services to visitors of Grand Park under the current terms and conditions of the Agreement.

Grand Park Foundation

In addition to describing the Music Center's and the County's responsibilities, the Agreement established the Grand Park Advisory Board (Advisory Board) to advise the County on the direction of public programming and policies affecting the Park and Park use, and to solicit public comments and input on park programs and activities. The Advisory Board consists of: one appointee from each County Supervisorial office; one from the relevant City Council district; and one from the CEO. Each quarterly meeting gives the public an opportunity to speak on issues related to Grand Park, such as funding, programming, and filming.

The Advisory Board was established as an interim advisory group which was intended to be replaced once the County had an opportunity to receive support from an independent not for profit entity to be formed after the Park opened.

On May 5, 2014, the CEO received a letter from the Foundation regarding the newly established independent non-profit California public benefit corporation (Attachment I). The Foundation is organized and operated exclusively for charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code, specifically as it pertains to Grand Park. The letter indicates that "the Foundation is prepared to assume the responsibilities of the Grand Park Advisory Board, including providing guidance and support in programming, marketing, fundraising, partnerships, and community building for Grand Park." The Foundation will have the broader responsibility for fundraising to support Park programs, as well as an advisory role on programming.

The Foundation anticipates that it will conduct at least one public forum, in a format of its choice, each year to solicit public comments and input on Grand Park programs and activities. Also, the Foundation shall review and comment upon the Music Center's annual programming direction, programming themes, and proposed publicity and outreach to the community on the Park.

Through the Foundation's partnerships with public foundations, private philanthropy, community partners, and stakeholders, the Foundation intends to raise funds to supplement Grand Park's operating budget specifically allocated for programming. The Foundation may grant funds directly to the Music Center to be earmarked for the Park, or to the CEO, for the Park. The Foundation will work collaboratively with the Music Center to ensure the success of the Park.

With the support of the newly formed Foundation for the CEO, it is appropriate that the interim

Board-appointed Grand Park Advisory Board be disbanded, effective June 24, 2014.

Jurisdiction, oversight, and management of Grand Park remain with the CEO for the Board, as a County asset. The roles and responsibilities of the County, the Music Center, and the Foundation may change in the future, if and when the Board acts to assign some of the County's obligations to an independent non-profit entity. The County has established longstanding public/private partnerships with non-profit entities to manage County facilities, such as the Music Center, Los Angeles County Museum of Art, LA Plaza de Cultura y Artes, and the Natural History Museum.

Implementation of Strategic Plan Goals

The Countywide Strategic Plan directs the provision of Operational Effectiveness (Goal 1), Fiscal Sustainability (Goal 2), and Integrated Services Delivery (Goal 3), by supporting non-profit organizations to enhance cultural, social, recreational, and lifelong learning opportunities for County residents.

FISCAL IMPACT/FINANCING

The ongoing County obligation for the maintenance, operations, and allocation for public programming in Grand Park's operating budget is funded by net County cost, but is partially offset by revenue collected from concessions, parking, and facility rental and event fees. Based on this monitoring of actual operational expenditures and revenue, the ongoing County obligation is estimated and included as part of the County Budget process. The Fiscal Year 2014-15 net County contribution is \$3,788,000.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The County is authorized by the provisions of Government Code Section 26227 to contract with a non-profit corporation to operate programs to meet the social needs of the County, which the Board of Supervisors determines to be in the best interest of the County and the general public.

The term of the Agreement is for an initial period of three years, with one two-year option. The initial term expires on June 25, 2015. By exercising the option, the term will be extended to June 25, 2017, and the Music Center will continue to provide services to visitors of Grand Park under the current terms and conditions of the Agreement. A mutual Termination for Convenience clause with a maximum of one fiscal year's notice is included in the Agreement.

Supervisor Molina was appointed by the Foundation to its Board of Directors and currently serves as a member of the Board of Directors of the Foundation. The directors of the Foundation do not benefit financially from serving in both positions. As the Foundation's primary purpose is to support the CEO and County in the operation of the County owned Park, County Counsel has advised that the conflict of interest laws would not preclude the County from accepting support for the Park from the Foundation. Further, the laws would not limit Supervisor Molina's ability to participate in the County's discussions or decisions regarding the Foundation provided her affiliation with the Foundation is noted in the official record at the time of any decision.

ENVIRONMENTAL DOCUMENTATION

On February 13, 2007, acting as a responsible agency, the Board considered the Grand Avenue

Project Environmental Impact Report (EIR) as prepared and certified by the Grand Avenue Authority, as the lead agency for the Grand Avenue Project and approved the Project and adopted findings, and on August 17, 2010, the Board approved Addenda to the previously certified EIR. The recommended action is within the scope of the Grand Avenue Project in the previously certified EIR and Addenda.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The recommended actions will have no impact on County services or projects at this facility.

CONCLUSION

Upon approval of the recommendations, please forward an adopted copy of the Board letter to the Chief Executive Office, Facilities and Asset Management Division.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "W. Fujioka", followed by a small "for" written below it.

WILLIAM T FUJIOKA

Chief Executive Officer

WTF:SHK:DJT

SW:CF:rp

Enclosures

c: Executive Office, Board of Supervisors
County Counsel
Los Angeles County Grand Park Foundation
Performing Arts Center of Los Angeles County



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CHIEF EXECUTIVE OFFICE

May 5, 2014

William T. Fujioka
Chief Executive Officer
County of Los Angeles Chief Executive Office
Kenneth Hahn Hall of Administration
500 W. Temple Street, Room 713
Los Angeles, California 90012

Re: New Los Angeles County Grand Park Foundation

Dear Mr. Fujioka:

The purpose of this letter is to formally inform you that the Los Angeles County Grand Park Foundation ("Foundation") has been established.

Established on December 19, 2013, the Foundation is an independent nonprofit California public benefit corporation. The establishment of such an independent foundation for Grand Park was anticipated in June 2012 when the County approved a "maintenance, operating and programming agreement with the Performing Arts Center of Los Angeles County, a nonprofit corporation ("Music Center"). The Foundation is prepared to assume the responsibilities of the Grand Park Advisory Board, including providing guidance and support in programming, marketing, fundraising, partnerships and community building for Grand Park on behalf of the County.

The Foundation is organized and operates exclusively for charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code, specifically as it pertains to the management and programming of Grand Park. The mission and purpose of the Foundation is to support, manage, and enhance the experience of Grand Park for the people of Los Angeles and all visitors for generations to come. The Foundation Board of Directors is guided by the principle of providing a level of stewardship that draws on partnerships with public foundations, private philanthropy, community partners and stakeholders to ensure that Grand Park and its purpose endure.

The Los Angeles County Grand Park Foundation held its inaugural meeting on March 5, 2014 with founding Board members Gloria Molina, Nelson Rising, Steve Rountree, Michael Woo (vice chair) Rosalind Wyman, and myself (chair of the board). We held our second meeting on April 7, 2014, where we began to expand our board with Renata Simril.

We look forward to working with the County of Los Angeles in support of Grand Park. If you have any questions, please feel free to contact me at (213) 253-7118 (work) or by email weedmanj@wellsfargo.com.

Sincerely,

A handwritten signature in black ink, appearing to read "Jonathan Weedman".

Jonathan Weedman
Chair, Los Angeles County Grand Park Foundation

cc: Christine Frias, CEO
Los Angeles County Grand Park Foundation Board of Directors